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September 21, 1999

CALFED Bay-Delta Program
 1416 Ninth Street, Suite 1155
 Sacramento, CA 95814

**SUBJECT: Draft Environmental Impact Statement/Environmental Impact Report
 CALFED Bay-Delta Program**

TO WHOM IT MAY CONCERN:

Following are the comments of the Calaveras Public Power Agency (CPPA) on the CALFED EIS/EIR.

CPPA is a "first preference" electric power customer of the CVP pursuant to the 1962 Flood Control Act which authorized the construction of the New Melones Project. Pursuant to that Act, Calaveras and Tuolumne Counties were given an entitlement to 25% of the additional power produced by the New Melones Project upon its integration with the CVP. This entitlement was in compensation for the loss of County land and water resources to the New Melones Project. The power is very important to Calaveras County. It is used by over 25 county and local governmental agencies including school and fire districts and it provides them savings of more than \$1 million per year.

Although the price CPPA pays for CVP power reflects a melded CVP rate, the amount of its allocation is determined by generation at New Melones. Therefore any changes in operation at New Melones which reduce average annual generation decreases CPPA's entitlement. There is no quid pro quo to CPPA for such reductions - the County of Calaveras does not get back any commensurate land or resources from the Federal Government.

CPPA has real concern that it will continue to lose a portion of its power entitlement as a result of changes in CVP operation not envisioned at the time the deal was struck between the counties of origin and the Federal government in 1962. It is important therefore that the CALFED EIS/EIR provide a complete and accurate picture of the ramifications of the CALFED proposals on New Melones power production and more particularly on CPPA's entitlement.

Likewise, any increase in CVP power prices will reduce the benefits Calaveras County receives as compensation for lost resources. The EIS/EIR indicates that Western's preference power customers would experience potentially significant economic effects dues to Western rate increases associated with CALFED proposals. Less energy for sale to preference customers would reduce the amount of power sales available to cover CVP operational costs and debt service. The EIS/EIR indicates these rate impacts could be so severe that Western rates could be above market prices.

Based upon our review of the EIS/EIR, we believe, both as a general matter and particularly with regard to the effect on power generation and impacts to CVP power customers, that the draft EIS/EIR does not adequately address our concerns or the potential dramatic power price impacts upon the CVP. The discussion in the draft EIS/EIR does not include sufficient information upon which to base a reasoned choice of alternatives. We disagree with the statement that "no areas of controversy are related to power production and energy." The impacts upon New Melones power production and CVP power rates are potentially significant.

We are hopeful that our concerns will be adequately addressed in the Final EIS/EIR. As indicated in the EIS/EIR, project specific analysis is necessary to fully determine the impacts of individual projects on power and energy resources. These impacts together with appropriate mitigation measures should be addressed before implementing any CALFED proposals.

Thank you for the opportunity to comment.

Sincerely,



Dennis Dickman
General Manager

cc: Congressman John Doolittle
Senator Diane Feinstein
Senator Barbara Boxer
California Senator Tim Leslie
California Assemblyman Rico Oiler
Bob Faber, House Subcommittee on Water & Power Resources
Tom Porter, Congressman Doolittle's Roseville Office